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106TH CONGRESS 2D SESSION

# H. R. 707

### IN THE SENATE OF THE UNITED STATES

March 4, 1999

Read twice and referred to the Committee on Environment and Public Works

May 16, 2000

Reported by Mr. Smith of New Hampshire, without amendment

## AN ACT

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to authorize a program for predisaster mitigation, to streamline the administration of disaster relief, to control the Federal costs of disaster assistance, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Disaster Mitigation
- 5 and Cost Reduction Act of 1999".

1	SEC. 2. AMENDMENTS TO ROBERT T. STAFFORD DISASTER
2	RELIEF AND EMERGENCY ASSISTANCE ACT.
3	Except as otherwise specifically provided, whenever in
4	this Act an amendment or repeal is expressed in terms
5	of an amendment to, or repeal of, a section or other provi-
6	sion of law, the reference shall be considered to be made
7	to a section or other provision of the Robert T. Stafford
8	Disaster Relief and Emergency Assistance Act (42 U.S.C.
9	5121 et seq.).
10	TITLE I—PREDISASTER HAZARD
11	MITIGATION
12	SEC. 101. FINDINGS AND PURPOSE.
13	(a) FINDINGS.—Congress finds that—
14	(1) greater emphasis needs to be placed on
15	identifying and assessing the risks to State and local
16	communities and implementing adequate measures
17	to reduce losses from natural disasters and to ensure
18	that critical facilities and public infrastructure will
19	continue to function after a disaster;
20	(2) expenditures for post-disaster assistance are
21	increasing without commensurate reduction in the
22	likelihood of future losses from such natural disas-
23	ters;
24	(3) a high priority in the expenditure of Federal
25	funds under the Robert T Stafford Disaster Relief

- 1 and Emergency Assistance Act should be to imple-2 ment predisaster activities at the local level; and
- 3 (4) with a unified effort of economic incentives, awareness and education, technical assistance, and 5 demonstrated Federal support, States and local com-6 munities will be able to increase their capabilities to 7 form effective community-based partnerships for 8 mitigation purposes, implement effective natural dis-9 aster mitigation measures that reduce the risk of fu-10 ture damage, hardship, and suffering, ensure contin-11 ued functioning of critical facilities and public infra-12 structure, leverage additional non-Federal resources 13 into meeting disaster resistance goals, and make 14 commitments to long-term mitigation efforts in new 15 and existing structures.
- (b) PURPOSE.—It is the purpose of this title to estab-lish a predisaster hazard mitigation program that—
  - (1) reduces the loss of life and property, human suffering, economic disruption, and disaster assistance costs resulting from natural hazards; and
  - (2) provides a source of predisaster hazard mitigation funding that will assist States and local governments in implementing effective mitigation measures that are designed to ensure the continued

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1 functioning of critical facilities and public infrastruc-2 ture after a natural disaster. 3 SEC. 102. STATE MITIGATION PROGRAM. 4 Section 201(c) (42 U.S.C. 5131(c)) is amended— 5 (1) by striking "and" at the end of paragraph 6 (1);7 (2) by striking the period at the end of paragraph (2) and inserting "; and"; and 8 9 (3) by adding at the end the following: 10 "(3) set forth, with the ongoing cooperation of 11 local governments and consistent with section 409, a 12 comprehensive and detailed State program for miti-13 gating against emergencies and major disasters, in-14 cluding provisions for prioritizing mitigation meas-15 ures.". 16 SEC. 103. DISASTER ASSISTANCE PLANS. 17 Section 201(d) (42 U.S.C. 5131(d)) is amended to read as follows: 18 19 "(d) Grants for Disaster Assistance and Haz-ARD IDENTIFICATION.—The President is authorized to 20 21 make grants for— 22 "(1) not to exceed 50 percent of the cost of im-23 proving, maintaining, and updating State disaster 24 assistance plans including, consistent with section 25 409, evaluation of natural hazards and development

- of the programs and actions required to mitigate such hazards; and
- "(2) the development and application of improved floodplain mapping technologies that can be used by Federal, State, and local governments and that the President determines will likely result in substantial savings over current floodplain mapping

#### 9 SEC. 104. PREDISASTER HAZARD MITIGATION.

- 10 Title II (42 U.S.C. 5131–5132) is amended by add-
- 11 ing at the end the following:

methods.".

- 12 "SEC. 203. PREDISASTER HAZARD MITIGATION.
- 13 "(a) General Authority.—The President may es-
- 14 tablish a program to provide financial assistance to States
- 15 and local governments for the purpose of undertaking
- 16 predisaster hazard mitigation activities that are cost effec-
- 17 tive and substantially reduce the risk of future damage,
- 18 hardship, or suffering from a major disaster.
- 19 "(b) Purpose of Assistance.—
- 20 "(1) In general.—Except as provided in para-
- graph (2), a State or local government that receives
- financial assistance under this section shall use the
- assistance for funding activities that are cost effec-
- 24 tive and substantially reduce the risk of future dam-
- age, hardship, or suffering from a major disaster.

"(2) DISSEMINATION.—The State or local gov-1 2 ernment may use not more than 10 percent of financial assistance it receives under this section in a fis-3 cal year for funding activities to disseminate information regarding cost effective mitigation tech-5 6 nologies (such as preferred construction practices 7 and materials), including establishing and maintain-8 ing centers for protection against natural disasters 9 to carry out such dissemination. 10 "(c) Allocation of Funds.—The amount of finan-11 cial assistance to be made available to a State, including 12 amounts made available to local governments of such State, under this section in a fiscal year shall— 13 14 "(1) not be less than the lesser of \$500,000 or 15 1.0 percent of the total funds appropriated to carry 16 out this section for such fiscal year; but 17 "(2) not exceed 15 percent of such total funds. "(d) Criteria.—Subject to the limitations of sub-18 19 sections (c) and (e), in determining whether to provide as-20 sistance to a State or local government under this section 21 and the amount of such assistance, the President shall 22 consider the following criteria: 23 "(1) The clear identification of prioritized cost-24 effective mitigation activities that produce meaningful and definable outcomes. 25

1	"(2) If the State has submitted a mitigation
2	program in cooperation with local governments
3	under section 201(c), the degree to which the activi-
4	ties identified in paragraph (1) are consistent with
5	the State mitigation program.
6	"(3) The extent to which assistance will fund
7	activities that mitigate hazards evaluated under sec-
8	tion 409.
9	"(4) The opportunity to fund activities that
10	maximize net benefits to society.
11	"(5) The ability of the State or local govern-
12	ment to fund mitigation activities.
13	"(6) The extent to which assistance will fund
14	mitigation activities in small impoverished commu-
15	nities.
16	"(7) The level of interest by the private sector
17	to enter into a partnership to promote mitigation.
18	"(8) Such other criteria as the President estab-
19	lishes in consultation with State and local govern-
20	ments.
21	"(e) State Nominations.—
22	"(1) In general.—The Governor of each State
23	may recommend to the President not less than 5

local governments to receive assistance under this

section. The recommendations shall be submitted to

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the President not later than October 1, 1999, and each October 1st thereafter or such later date in the year as the President may establish. In making such recommendations, the Governors shall consider the criteria identified in subsection (d).

#### "(2) Use.—

"(A) GENERAL RULE.—In providing assistance to local governments under this section, the President shall select from local governments recommended by the Governors under this subsection.

- "(B) WAIVER.—Upon request of a local government, the President may waive the limitation in subparagraph (A) if the President determines that extraordinary circumstances justify the waiver and that granting the waiver will further the purpose of this section.
- "(3) EFFECT OF FAILURE TO NOMINATE.—If a Governor of a State fails to submit recommendations under this subsection in a timely manner, the President may select, subject to the criteria in subsection (d), any local governments of the State to receive assistance under this section.
- 24 "(f) SMALL IMPOVERISHED COMMUNITIES.—For the 25 purpose of this section, the term 'small impoverished com-

- 1 munities' means communities of 3,000 or fewer individuals
- 2 that are economically disadvantaged, as determined by the
- 3 State in which the community is located and based on cri-
- 4 teria established by the President.
- 5 "(g) Federal Share.—Financial assistance pro-
- 6 vided under this section may contribute up to 75 percent
- 7 of the total cost of mitigation activities approved by the
- 8 President; except that the President may contribute up to
- 9 90 percent of the total cost of mitigation activities in small
- 10 impoverished communities.
- 11 "(h) AUTHORIZATION OF APPROPRIATIONS.—There
- 12 is authorized to be appropriated to carry out this section
- 13 \$25,000,000 for fiscal year 1999 and \$80,000,000 for fis-
- 14 cal year 2000.
- 15 "(i) Authorization of Section 404 Funds.—Ef-
- 16 fective October 1, 2000, in addition to amounts appro-
- 17 priated under subsection (h) from only appropriations en-
- 18 acted after October 1, 2000, the President may use, to
- 19 carry out this section, funds that are appropriated to carry
- 20 out section 404 for post-disaster mitigation activities that
- 21 have not been obligated within 30 months of the disaster
- 22 declaration upon which the funding availability is based.
- 23 "(j) Report on Federal and State Administra-
- 24 TION.—Not later than 18 months after the date of the
- 25 enactment of the Disaster Mitigation and Cost Reduction

- 1 Act of 1999, the President, in consultation with State and
- 2 local governments, shall transmit to Congress a report
- 3 evaluating efforts to implement this section and recom-
- 4 mending a process for transferring greater authority and
- 5 responsibility for administering the assistance program
- 6 authorized by this section to capable States.".

#### 7 SEC. 105. INTERAGENCY TASK FORCE.

- 8 The President shall establish an interagency task
- 9 force for the purpose of coordinating the implementation
- 10 of the predisaster hazard mitigation program authorized
- 11 by section 203 of the Robert T. Stafford Disaster Relief
- 12 and Emergency Assistance Act. The Director of the Fed-
- 13 eral Emergency Management Agency shall chair such task
- 14 force.
- 15 SEC. 106. MAXIMUM CONTRIBUTION FOR MITIGATION
- 16 costs.
- 17 (a) IN GENERAL.—Section 404(a) (42 U.S.C.
- 18 5170c(a)) is amended by striking "15 percent" and insert-
- 19 ing "20 percent".
- (b) APPLICABILITY.—The amendment made by sub-
- 21 section (a) shall apply to major disasters declared under
- 22 the Robert T. Stafford Disaster Relief Act and Emergency
- 23 Assistance Act after January 1, 1997.
- 24 SEC. 107. CONFORMING AMENDMENT.
- The heading for title II is amended to read as follows:

## 1 "TITLE II—DISASTER PREPARED-

- 2 NESS AND MITIGATION AS-
- 3 **SISTANCE**".

## 4 TITLE II—STREAMLINING AND

## 5 COST REDUCTION

- 6 SEC. 201. MANAGEMENT COSTS.
- 7 (a) IN GENERAL.—Title III (42 U.S.C. 5141–5164)
- 8 is amended by adding at the end the following:
- 9 "SEC. 322. MANAGEMENT COSTS.
- 10 "(a) IN GENERAL.—Notwithstanding any other pro-
- 11 vision of law (including any administrative rule or guid-
- 12 ance), the President shall establish by rule management
- 13 cost rates for grantees and subgrantees. Such rates shall
- 14 be used to determine contributions under this Act for
- 15 management costs.
- 16 "(b) Management Costs Defined.—Management
- 17 costs include indirect costs, administrative expenses, asso-
- 18 ciated expenses, and any other expenses not directly
- 19 chargeable to a specific project under a major disaster,
- 20 emergency, or emergency preparedness activity or meas-
- 21 ure. Such costs include the necessary costs of requesting,
- 22 obtaining, and administering Federal assistance and costs
- 23 incurred by a State for preparation of damage survey re-
- 24 ports, final inspection reports, project applications, final
- 25 audits, and related field inspections by State employees,

- 1 including overtime pay and per diem and travel expenses
- 2 of such employees, but not including pay for regular time
- 3 of such employees.
- 4 "(c) Review.—The President shall review the man-
- 5 agement cost rates established under subsection (a) not
- 6 later than 3 years after the date of establishment of such
- 7 rates and periodically thereafter.".
- 8 (b) Applicability.—Section 322 of the Robert T.
- 9 Stafford Disaster Relief and Emergency Assistance Act
- 10 (as added by subsection (a) of this section) shall apply
- 11 as follows:
- 12 (1) Subsections (a) and (b) of such section 322
- shall apply to major disasters declared under such
- Act on or after the date of the enactment of this
- 15 Act. Until the date on which the President estab-
- lishes the management cost rates under such sub-
- section, section 406(f) shall be used for establishing
- such rates.
- 19 (2) Subsection (c) of such section 322 shall
- apply to major disasters declared under such Act on
- or after the date on which the President establishes
- such rates under subsection (a) of such section 322.

1	SEC. 202. ASSISTANCE TO REPAIR, RESTORE, RECON-
2	STRUCT, OR REPLACE DAMAGED FACILITIES.
3	(a) Contributions.—Section 406(a) (42 U.S.C.
4	5172(a)) is amended to read as follows:
5	"(a) Contributions.—
6	"(1) In general.—The President may make
7	contributions—
8	"(A) to a State or local government for the
9	repair, restoration, reconstruction, or replace-
10	ment of a public facility which is damaged or
11	destroyed by a major disaster and for associ-
12	ated expenses incurred by such government;
13	and
14	"(B) subject to paragraph (2), to a person
15	who owns or operates a private nonprofit facil-
16	ity damaged or destroyed by a major disaster
17	for the repair, restoration, reconstruction, or re-
18	placement of such facility and for associated ex-
19	penses incurred by such person.
20	"(2) Conditions for assistance to private
21	NONPROFIT FACILITIES.—
22	"(A) IN GENERAL.—The President may
23	make contributions to a private nonprofit facil-
24	ity under paragraph (1)(B) only if—

1	"(i) the facility provides critical serv-
2	ices (as defined by the President) in the
3	event of a major disaster; or
4	"(ii)(I) the owner or operator of the
5	facility has applied for a disaster loan
6	under section 7(b) of the Small Business
7	Act (15 U.S.C. 636(b)); and
8	"(II) has been determined to be ineli-
9	gible for such a loan; or
10	"(III) has obtained such a loan in the
11	maximum amount for which the Small
12	Business Administration determines the fa-
13	cility is eligible.
14	"(B) Critical services defined.—In
15	this paragraph, the term 'critical services' in-
16	cludes, but is not limited to, power, water,
17	sewer, wastewater treatment, communications,
18	and emergency medical care.".
19	(b) Minimum Federal Share.—Section 406(b) (42
20	U.S.C. 5172(b)) is amended to read as follows:
21	"(b) Minimum Federal Share.—The Federal
22	share of assistance under this section shall be not less
23	than 75 percent of the eligible cost of repair, restoration,
24	reconstruction, or replacement carried out under this sec-
25	tion.".

1 (c) LARGE In-Lieu Contributions.—Section 2 406(c) (42 U.S.C. 5172(c)) is amended to read as follows: 3 "(c) Large In-Lieu Contributions.— "(1) For public facilities.— 4 "(A) IN GENERAL.—In any case in which 6 a State or local government determines that the 7 public welfare would not be best served by re-8 pairing, restoring, reconstructing, or replacing 9 any public facility owned or controlled by such 10 State or local government, the State or local 11 government may elect to receive, in lieu of a 12 contribution under subsection (a)(1)(A), a con-13 tribution of 75 percent of the Federal share of 14 the Federal estimate of the cost of repairing, 15 restoring, reconstructing, or replacing such fa-16 cility and of management expenses. "(B) Areas with unstable soil.—In 17 18 any case in which a State or local government 19 determines that the public welfare would not be 20 best served by repairing, restoring, recon-21 structing, or replacing any public facility owned 22 or controlled by such State or local government 23 because soil instability in the disaster area 24 makes such repair, restoration, reconstruction,

or replacement infeasible, the State or local

government may elect to receive, in lieu of a contribution under subsection (a)(1)(A), a contribution of 90 percent of the Federal share of the Federal estimate of the cost of repairing, restoring, reconstructing, or replacing such facility and of management expenses.

"(C) USE OF FUNDS.—Funds contributed to a State or local government under this paragraph may be used to repair, restore, or expand other selected public facilities, to construct new facilities, or to fund hazard mitigation measures which the State or local government determines to be necessary to meet a need for governmental services and functions in the area affected by the major disaster.

#### "(2) For private nonprofit facilities.—

"(A) In GENERAL.—In any case where a person who owns or operates a private nonprofit facility determines that the public welfare would not be best served by repairing, restoring, reconstructing, or replacing such facility, such person may elect to receive, in lieu of a contribution under subsection (a)(1)(B), a contribution of 75 percent of the Federal share of the Federal estimate of the cost of repairing,

restoring, reconstructing, or replacing such facility and of management expenses.

"(B) USE OF FUNDS.—Funds contributed to a person under this paragraph may be used to repair, restore, or expand other selected private nonprofit facilities owned or operated by the person, to construct new private nonprofit facilities to be owned or operated by the person, or to fund hazard mitigation measures that the person determines to be necessary to meet a need for its services and functions in the area affected by the major disaster.

"(3) Modification of federal share.—The President shall modify the Federal share of the cost estimate provided in paragraphs (1) and (2) if the President determines an alternative cost share will likely reduce the total amount of Federal assistance provided under this section. The Federal cost share for purposes of paragraphs (1) and (2) shall not exceed 90 percent and shall not be less than 50 percent.".

### (d) Eligible Cost.—

- 23 (1) IN GENERAL.—Section 406(e) (42 U.S.C. 24 5172(e)) is amended to read as follows:
- 25 "(e) Eligible Cost.—

"(1) IN GENERAL.—For the purposes of this section, the estimate of the cost of repairing, restoring, reconstructing, or replacing a public facility or private nonprofit facility on the basis of the design of such facility as it existed immediately before the major disaster and in conformity with current applicable codes, specifications, and standards (including floodplain management and hazard mitigation criteria required by the President or by the Coastal Barrier Resources Act (16 U.S.C. 3501 et seq.)) shall be treated as the eligible cost of such repair, restoration, reconstruction, or replacement. Subject to paragraph (2), the President shall use the cost estimation procedures developed under paragraph.

"(2) Modification of eligible cost.—In the event the actual cost of repairing, restoring, reconstructing, or replacing a facility under this section is more than 120 percent or less than 80 percent of the cost estimated under paragraph (1), the President may determine that the eligible cost be the actual cost of such repair, restoration, reconstruction, or replacement. The government or person receiving assistance under this section shall reimburse the President for the portion of such assistance that

- exceeds the eligible cost of such repair, restoration,
  reconstruction, or replacement.
- "(3) Use of surplus funds.—In the event actual cost of repairing, restoring, recon-structing, or replacing a facility under this section is less than 100 percent but not less than 80 percent of the cost estimated under paragraph (1), the gov-ernment or person receiving assistance under this section shall use any surplus funds to perform activi-ties that are cost-effective and reduce the risk of fu-ture damage, hardship, or suffering from a major disaster.
  - "(4) EXPERT PANEL.—Not later than 18 months after the date of the enactment of the Disaster Mitigation and Cost Reduction Act of 1999, the President, acting through the Director of the Federal Emergency Management Agency, shall establish an expert panel, including representatives from the construction industry, to develop procedures for estimating the cost of repairing, restoring, reconstructing, or replacing a facility consistent with industry practices.
  - "(5) Special rule.—In any case in which the facility being repaired, restored, reconstructed, or replaced under this section was under construction on

- the date of the major disaster, the cost of repairing, restoring, reconstructing, or replacing such facility shall include, for purposes of this section, only those costs which, under the contract for such construction, are the owner's responsibility and not the con-
- 6 tractor's responsibility.".

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(2) Effective date.—The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act, and shall only apply to funds appropriated after the date of the enactment of this Act; except that paragraph (1) of section 406(e) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (as amended by paragraph (1) of this subsection) shall take effect on the date that the procedures developed under paragraph (3) of such section take effect.

### (e) Associated Expenses.—

- 18 (1) IN GENERAL.—Section 406 (42 U.S.C. 19 4172) is amended by striking subsection (f).
- 20 (2) OTHER ELIGIBLE COSTS.—Section 406(e)
  21 (42 U.S.C. 5172(e)), as amended by subsection (d)
  22 of this section, is amended by adding at the end the
  23 following:
- 24 "(6) OTHER ELIGIBLE COSTS.—For purposes of 25 this section, other eligible costs include the following:

- 1 "(A) Costs of National Guard.—The 2 cost of mobilizing and employing the National 3 Guard for performance of eligible work.
  - "(B) Costs of Prison Labor.—The costs of using prison labor to perform eligible work, including wages actually paid, transportation to a worksite, and extraordinary costs of guards, food, and lodging.
  - "(C) OTHER LABOR COSTS.—Base and overtime wages for an applicant's employees and extra hires performing eligible work plus fringe benefits on such wages to the extent that such benefits were being paid before the disaster.".
  - (3) Effective date.—Paragraphs (1) and (2) shall take effect on the date on which the President establishes management cost rates under section 322(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (as added by section 201(a) of this Act). The amendment made by paragraph (1) shall only apply to disasters declared by the President under such Act after the date on which the President establishes such cost rates.

1	SEC. 203. FEDERAL ASSISTANCE TO INDIVIDUALS AND
2	HOUSEHOLDS.
3	(a) In General.—Section 408 (42 U.S.C. 5174) is
4	amended to read as follows:
5	"SEC. 408. FEDERAL ASSISTANCE TO INDIVIDUALS AND
6	HOUSEHOLDS.
7	"(a) General Authority.—Subject to the require-
8	ments of this section, the President, in consultation with
9	the Governor of the affected State, may provide financial
10	assistance, and, if necessary, direct services, to disaster
11	victims who as a direct result of a major disaster have
12	necessary expenses and serious needs where such victims
13	are unable to meet such expenses or needs through other
14	means. Under the preceding sentence, a victim shall not
15	be denied assistance under subsections $(c)(1)$ , $(c)(3)$ , or
16	(c)(4), solely on the basis that the victim has not applied
17	for or received any loan or other financial assistance from
18	the Small Business Administration or any other Federal
19	agency.
20	"(b) Housing Assistance.—
21	"(1) Eligibility.—The President may provide
22	financial or other assistance under this section to in-
23	dividuals and families to respond to the disaster-re-
24	lated housing needs of those who are displaced from
25	their predisaster primary residences or whose
26	predisaster primary residences are rendered un-

1	inhabitable as a result of damage caused by a major
2	disaster.
3	"(2) Determination of appropriate types
4	OF ASSISTANCE.—The President shall determine ap-
5	propriate types of housing assistance to be provided
6	to disaster victims under this section based upon
7	considerations of cost effectiveness, convenience to
8	disaster victims, and such other factors as the Presi-
9	dent may consider appropriate. One or more types of
10	housing assistance may be made available, based on
11	the suitability and availability of the types of assist-
12	ance, to meet the needs of disaster victims in the
13	particular disaster situation.
14	"(c) Types of Housing Assistance.—
15	"(1) Temporary housing.—
16	"(A) FINANCIAL ASSISTANCE.—
17	"(i) In General.—The President
18	may provide financial assistance under this
19	section to individuals or households to rent
20	alternate housing accommodations, existing
21	rental units, manufactured housing, rec-
22	reational vehicles, or other readily fab-
23	ricated dwellings.
24	"(ii) Amount.—The amount of as-
25	sistance under clause (i) shall be based on

the fair market rent for the accommodation being furnished plus the cost of any transportation, utility hookups, or unit installation not being directly provided by the President.

#### "(B) DIRECT ASSISTANCE.—

"(i) IN GENERAL.—The President may also directly provide under this section housing units, acquired by purchase or lease, to individuals or households who, because of a lack of available housing resources, would be unable to make use of the assistance provided under subparagraph (A).

"(ii) Period of Assistance.—The President may not provide direct assistance under clause (i) with respect to a major disaster after the expiration of the 18-month period beginning on the date of the declaration of the major disaster by the President, except that the President may extend such period if the President determines that due to extraordinary circumstances an extension would be in the public interest.

1 "(iii) COLLECTION OF RENTAL
2 CHARGES.—After the expiration of the 183 month period referred to in clause (ii), the
4 President may charge fair market rent for
5 the accommodation being provided.

"(2) Repairs.—The President may provide financial assistance for the repair of owner-occupied private residences, utilities, and residential infrastructure (such as private access routes) damaged by a major disaster to a habitable or functioning condition. A recipient of assistance provided under this paragraph need not show that the assistance can be met through other means, except insurance proceeds, if the assistance is used for emergency repairs to make a private residence habitable and does not exceed \$5,000 (based on fiscal year 1998 constant dollars).

"(3) Replacement.—The President may provide financial assistance for the replacement of owner-occupied private residences damaged by a major disaster. Assistance provided under this paragraph shall not exceed \$10,000 (based on fiscal year 1998 constant dollars). The President may not waive any provision of Federal law requiring the purchase of flood insurance as a condition for the receipt of

1	Federal disaster assistance with respect to assist-
2	ance provided under this paragraph.
3	"(4) Permanent Housing Construction.—
4	The President may provide financial assistance or
5	direct assistance under this section to individuals or
6	households to construct permanent housing in insu-
7	lar areas outside the continental United States and
8	other remote locations in cases in which—
9	"(A) no alternative housing resources are
10	available; and
11	"(B) the types of temporary housing as-
12	sistance described in paragraph (1) are unavail-
13	able, infeasible, or not cost effective.
14	"(d) Terms and Conditions Relating to Hous-
15	ING ASSISTANCE.—
16	"(1) Sites.—Any readily fabricated dwelling
17	provided under this section shall, whenever possible,
18	be located on a site complete with utilities, and shall
19	be provided by the State or local government, by the
20	owner of the site, or by the occupant who was dis-
21	placed by the major disaster. Readily fabricated
22	dwellings may be located on sites provided by the
23	President if the President determines that such sites
24	would be more economical or accessible.
25	"(2) Disposal of units.—

1	"(A) SALE TO OCCUPANTS.—
2	"(i) In General.—Notwithstanding
3	any other provision of law, a temporary
4	housing unit purchased under this section
5	by the President for the purposes of hous-
6	ing disaster victims may be sold directly to
7	the individual or household who is occu-
8	pying the unit if the individual or house-
9	hold needs permanent housing.
10	"(ii) Sales price.—Sales of tem-
11	porary housing units under clause (i) shall
12	be accomplished at prices that are fair and
13	equitable.
14	"(iii) Deposit of Proceeds.—Not-
15	withstanding any other provision of law,
16	the proceeds of a sale under clause (i) shall
17	be deposited into the appropriate Disaster
18	Relief Fund account.
19	"(iv) USE OF GSA SERVICES.—The
20	President may use the services of the Gen-
21	eral Services Administration to accomplish
22	a sale under clause (i).
23	"(B) Other methods of disposal.—
24	"(i) Sale.—If not disposed of under
25	subparagraph (A), a temporary housing

unit purchased by the President for the purposes of housing disaster victims may be resold.

> "(ii) DISPOSAL TO GOVERNMENTS AND VOLUNTARY ORGANIZATIONS.—A temporary housing unit described in clause (i) may also be sold, transferred, donated, or otherwise made available directly to a State or other governmental entity or to a voluntary organization for the sole purpose of providing temporary housing to disaster victims in major disasters and emergencies if, as a condition of such sale, transfer, or donation, the State, other governmental agency, or voluntary organization agrees to comply with the nondiscrimination provisions of section 308 and to obtain and maintain hazard and flood insurance on the housing unit.

20 "(e) Financial Assistance To Address Other 21 Needs.—

> "(1) Medical, dental, and funeral expenses.—The President, in consultation with the Governor of the affected State, may provide financial assistance under this section to an individual or

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- 1 household adversely affected by a major disaster to
- 2 meet disaster-related medical, dental, and funeral
- 3 expenses.
- 4 "(2) Personal Property, Transportation,
- 5 AND OTHER EXPENSES.—The President, in con-
- 6 sultation with the Governor of the affected State,
- 7 may provide financial assistance under this section
- 8 to an individual or household described in paragraph
- 9 (1) to address personal property, transportation, and
- other necessary expenses or serious needs resulting
- from the major disaster.
- 12 "(f) State Role.—The President shall provide for
- 13 the substantial and ongoing involvement of the affected
- 14 State in administering the assistance under this section.
- 15 "(g) Maximum Amount of Assistance.—No indi-
- 16 vidual or household shall receive financial assistance great-
- 17 er than \$25,000 under this section with respect to a single
- 18 major disaster. Such limit shall be adjusted annually to
- 19 reflect changes in the Consumer Price Index for all Urban
- 20 Consumers published by the Department of Labor.
- 21 "(h) Issuance of Regulations.—The President
- 22 shall issue rules and regulations to carry out the program,
- 23 including criteria, standards, and procedures for deter-
- 24 mining eligibility for assistance.".

- 1 (b) Conforming Amendment.—Section 502(a)(6)
- 2 (42 U.S.C. 5192(a)(6)) is amended by striking "tem-
- 3 porary housing".
- 4 (c) Elimination of Individual and Family
- 5 Grant Programs.—Title IV (42 U.S.C. 5170–5189a) is
- 6 amended by striking section 411 (42 U.S.C. 5178).
- 7 (d) Effective Date.—The amendments made by
- 8 this section shall take effect on the 545th day following
- 9 the date of the enactment of this Act.
- 10 SEC. 204. REPEALS.
- 11 (a) Community Disaster Loans.—Section 417 (42)
- 12 U.S.C. 5184) is repealed.
- 13 (b) SIMPLIFIED PROCEDURE.—Section 422 (42)
- 14 U.S.C. 5189) is repealed.
- 15 SEC. 205. STATE ADMINISTRATION OF HAZARD MITIGATION
- 16 **PROGRAM.**
- 17 Section 404 (42 U.S.C. 5170c) is amended by adding
- 18 at the end the following:
- 19 "(c) Program Administration by States.—
- 20 "(1) In general.—A State desiring to admin-
- 21 ister the hazard mitigation assistance program es-
- tablished by this section with respect to hazard miti-
- gation assistance in the State may submit to the
- 24 President an application for the delegation of such
- authority.

1	"(2) Criteria.—The President, in consultation
2	with States and local governments, shall establish
3	criteria for the approval of applications submitted
4	under paragraph (1). The criteria shall include, at a
5	minimum, the following:
6	"(A) The demonstrated ability of the State
7	to manage the grant program under this sec-
8	tion.
9	"(B) Submission of the plan required
10	under section 201(c).
11	"(C) A demonstrated commitment to miti-
12	gation activities.
13	"(3) Approval.—The President shall approve
14	an application submitted under paragraph (1) that
15	meets the criteria established under paragraph (2).
16	"(4) WITHDRAWAL OF APPROVAL.—If, after
17	approving an application of a State submitted under
18	paragraph (1), the President determines that the
19	State is not administering the hazard mitigation as-
20	sistance program established by this section in a
21	manner satisfactory to the President, the President
22	shall withdraw such approval.
23	"(5) Audits.—The President shall provide for
24	periodic audits of the hazard mitigation assistance

1	programs administered by States under this sub-
2	section.".
3	SEC. 206. STATE ADMINISTRATION OF DAMAGED FACILI-
4	TIES PROGRAM.
5	(a) Pilot Program.—In cooperation with States
6	and local governments and in coordination with efforts to
7	streamline the delivery of disaster relief assistance, the
8	President shall conduct a pilot program for the purpose
9	of determining the desirability of State administration of
10	parts of the assistance program established by section 406
11	of the Robert T. Stafford Disaster Relief and Emergency
12	Assistance Act (42 U.S.C. 5172).
13	(b) State Participation.—
14	(1) Criteria.—The President may establish
15	criteria in order to ensure the appropriate implemen-
16	tation of the pilot program under subsection (a).
17	(2) Minimum number of states.—The Presi-
18	dent shall conduct the pilot program under sub-
19	section (a) in at least 2 States.
20	(c) Report.—Not later than 3 years after the date
21	of the enactment of this Act, the President shall transmit
22	to Congress a report describing the results of the pilot pro-
23	gram conducted under subsection (a), including identi-
24	fying any administrative or financial benefits. Such report
25	shall also include recommendations on the conditions, if

- 1 any, under which States should be allowed the option to
- 2 administer parts of the assistance program under section
- 3 406 of the Robert T. Stafford Disaster Relief and Emer-
- 4 gency Assistance Act (42 U.S.C. 5172).
- 5 SEC. 207. STUDY REGARDING COST REDUCTION.
- 6 Not later than 3 years after the date of the enact-
- 7 ment of this Act, the Comptroller General of the United
- 8 States shall conduct a study to estimate the reduction in
- 9 Federal disaster assistance that has resulted and is likely
- 10 to result from the enactment of this Act.
- 11 SEC. 208. REPORT ON ASSISTANCE TO RURAL COMMU-
- 12 NITIES.
- Not later than 180 days after the date of the enact-
- 14 ment of this Act, the Director of the Federal Emergency
- 15 Management Agency shall prepare and transmit to Con-
- 16 gress a report on methods and procedures that the Direc-
- 17 tor recommends to accelerate the provision of Federal dis-
- 18 aster assistance under the Robert T. Stafford Disaster Re-
- 19 lief and Emergency Assistance Act (42 U.S.C. 5121 et
- 20 seq.) to rural communities.
- 21 SEC. 209. STUDY REGARDING INSURANCE FOR PUBLIC IN-
- FRASTRUCTURE.
- The Comptroller General of the United States shall
- 24 conduct a study to determine the current and future ex-
- 25 pected availability of disaster insurance for public infra-

- 1 structure eligible for assistance under section 406 of the
- 2 Robert T. Stafford Disaster Relief and Emergency Assist-
- 3 ance Act (42 U.S.C. 5170).
- 4 SEC. 210. PUBLIC COMMENT REQUIREMENT.
- 5 Title III (42 U.S.C. 5141–5164) (as amended by sec-
- 6 tion 201 of this Act) is amended by adding at the end
- 7 the following:
- 8 "SEC. 323. PUBLIC COMMENT REQUIREMENT.
- 9 "(a) In General.—The Director of the Federal
- 10 Emergency Management Agency shall provide an oppor-
- 11 tunity for public comment before adopting any new or
- 12 modified policy that would have a meaningful impact on
- 13 the amount of disaster assistance that may be provided
- 14 to a State or local government by the President under this
- 15 Act.
- 16 "(b) Retroactive Application of Policies.—
- 17 The Director may not adopt any new or modified policy
- 18 that would retroactively reduce the amount of assistance
- 19 provided to a State or local government under this Act.".

### 20 TITLE III—MISCELLANEOUS

- 21 SEC. 301. TECHNICAL CORRECTION OF SHORT TITLE.
- The first section (42 U.S.C. 5121 note) is amended
- 23 to read as follows:

#### 1 "SECTION 1. SHORT TITLE.

- 2 "This Act may be cited as the 'Robert T. Stafford
- 3 Disaster Relief and Emergency Assistance Act'.".
- 4 SEC. 302. DEFINITION OF STATE.
- 5 Section 102 (42 U.S.C. 5122) is amended in each of
- 6 paragraphs (3) and (4) by striking "the Northern" and
- 7 all that follows through "Pacific Islands" and inserting
- 8 "and the Commonwealth of the Northern Mariana Is-
- 9 lands".
- 10 SEC. 303. FIRE SUPPRESSION GRANTS.
- Section 420 (42 U.S.C. 5187) is amended by insert-
- 12 ing "and local government" after "State".
- 13 SEC. 304. BUY AMERICAN.
- 14 (a) Compliance With Buy American Act.—No
- 15 funds authorized to be appropriated pursuant to this Act
- 16 or any amendment made by this Act may be expended by
- 17 an entity unless the entity, in expending the funds, com-
- 18 plies with the Buy American Act (41 U.S.C. 10a et seq.).
- 19 (b) Debarment of Persons Convicted of
- 20 Fraudulent Use of "Made in America" Labels.—
- 21 (1) IN GENERAL.—If the Director of the Fed-
- 22 eral Emergency Management Agency determines
- 23 that a person has been convicted of intentionally
- 24 affixing a label bearing a "Made in America" in-
- scription to any product sold in or shipped to the
- 26 United States that is not made in America, the Di-

- rector shall determine, not later than 90 days after
  determining that the person has been so convicted,
  whether the person should be debarred from contracting under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.
- 6 (2) Debar Defined.—In this section, the term 7 "debar" has the meaning given that term by section 8 2393(c) of title 10, United States Code.

#### Calendar No. 551

106TH CONGRESS 2D SESSION

## H.R.707

## AN ACT

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to authorize a program for predisaster mitigation, to streamline the administration of disaster relief, to control the Federal costs of disaster assistance, and for other purposes.

May 16, 2000

Reported without amendment